



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

February 7, 1991

FmHA AN No. 2220 (1951)

SUBJECT: Processing of Farmer Programs Loan Deferrals,
Shared Appreciation Agreements, and Net Recovery
Buyout Agreements

TO: State Directors, District Directors, and
County Supervisors

ATTN: Farmer Programs Chiefs and Information
Resource Managers

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide supplemental guidance for the processing of Farmer Programs loan deferrals, Shared Appreciation Agreements and Net Recovery Buyout Agreements. The intended outcome is to ensure that Farmer Programs loan servicing actions are consistent and processed properly.

COMPARISON WITH PREVIOUS AN:

There is no previous AN on this subject.

IMPLEMENTATION RESPONSIBILITIES:

1. Loan Deferrals:

Paragraph 1951.909(e)(3)(v) of FmHA Instruction 1951-S, provides guidance on the processing of additional and subsequent deferrals on Farmer Programs loans, and authorizes the cancellation of existing deferrals in order to further service the loan. The instruction is not clear on how to handle borrowers who have an existing deferral on one or more loans and are delinquent on the remaining non-deferred loans.

EXPIRATION DATE: November 30, 1991

FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1951-S



Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

In the future if it is necessary to take further servicing actions on any loan, existing deferrals will need to be cancelled. This will prevent a Farmer Programs borrower from having deferrals with different beginning and expiration dates.

It will not be necessary to change Farmer Programs deferral notes that have already been processed with different expiration dates. These cases will be sent to the appropriate problem case coordinator in the Finance Office for manual processing.

2. Equity Receivable Accounts:

The Finance Office software for Equity Receivable (3V) is not complete. When implemented, the 3V will allow input fields necessary to process full and partial sales for borrowers with Net Recovery Buyout Agreements. It will also allow input fields necessary to process full and partial sales, full maturities with partial sales, and for Shared Appreciation Agreements.

The County Office should file copies of the following information in the FmHA Instruction 1951-S pending operational file, until completion of the 3V software:

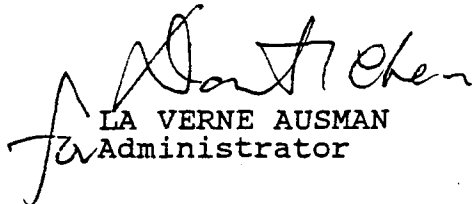
1. Borrower Case Number
2. Borrower Name
3. Beginning Market Value of Real Estate
4. Ending Market Value of Real Estate (Shared Appreciation Only)
5. Amount of Recapture Due
6. Date of Sale or Maturity
7. Effective Date
8. Number the partial sales in order of sale date

The above information is to be retained even if the recapture amount is zero.

3. Equity Recapture Account Payments:

Equity recapture account payments for Net Recovery Buyout, Shared Appreciation, and Noncash Credit For Farmer Programs Loans Single Family Housing Equity Recapture, are to be submitted to the Finance Office on Form 451-2, "Schedule of Remittances." The form must be marked as "equity recapture account payment" and coded as a miscellaneous collection (Code 21-Other). You will be notified with a revision to the ADPS manual when software is available to establish a 3V. The payment will be held in suspense in the Finance Office until the software is completed.

If you have any questions, contact Ann Eggleston of Farmer Programs Loan Servicing and Property Management Division at FTS 475-4009 or commercial (202) 475-4009.


LA VERNE AUSMAN
for Administrator

Sent by Time Delay Option to States at 11:00 on 2/12/91;
to Districts at 1:00 on 2/12/91; and Counties at 3:00
on 2/12/91 by ASD.